

107TH CONGRESS  
1ST SESSION

# S. 904

To amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials.

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## IN THE SENATE OF THE UNITED STATES

MAY 16 (legislative day, MAY 15), 2001

Ms. COLLINS (for herself, Mr. WARNER, Ms. LANDRIEU, Mr. COCHRAN, Mr. ALLEN, and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for qualified professional development expenses of elementary and secondary school teachers and to allow a credit against income tax to elementary and secondary school teachers who provide classroom materials.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Teacher Relief Act  
5 of 2001”.

1 **SEC. 2. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED PRO-**  
 2 **FESSIONAL DEVELOPMENT EXPENSES OF EL-**  
 3 **EMENTARY AND SECONDARY SCHOOL**  
 4 **TEACHERS.**

5 (a) DEDUCTION ALLOWED.—Part VII of subchapter  
 6 B of chapter 1 of the Internal Revenue Code of 1986 (re-  
 7 lating to additional itemized deductions for individuals) is  
 8 amended by redesignating section 222 as section 223 and  
 9 by inserting after section 221 the following new section:  
 10 **“SEC. 222. QUALIFIED PROFESSIONAL DEVELOPMENT EX-**  
 11 **PENSES.**

12 “(a) ALLOWANCE OF DEDUCTION.—In the case of an  
 13 eligible educator, there shall be allowed as a deduction an  
 14 amount equal to the qualified professional development ex-  
 15 penses paid or incurred by the taxpayer during the taxable  
 16 year.

17 “(b) MAXIMUM DEDUCTION.—The deduction allowed  
 18 under subsection (a) for any taxable year shall not exceed  
 19 \$500.

20 “(c) QUALIFIED PROFESSIONAL DEVELOPMENT EX-  
 21 PENSES OF ELIGIBLE EDUCATORS.—For purposes of this  
 22 section—

23 “(1) QUALIFIED PROFESSIONAL DEVELOPMENT  
 24 EXPENSES.—

25 “(A) IN GENERAL.—The term ‘qualified  
 26 professional development expenses’ means ex-

penses for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

“(B) QUALIFIED COURSE OF INSTRUCTION.—The term ‘qualified course of instruction’ means a course of instruction which—

“(i) is—

“(I) directly related to the curriculum and academic subjects in which an eligible educator provides instruction,

“(II) designed to enhance the ability of an eligible educator to understand and use State standards for the academic subjects in which such educator provides instruction,

“(III) designed to provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

1 “(IV) designed to provide in-  
2 struction in how best to discipline  
3 children in the classroom and identify  
4 early and appropriate interventions to  
5 help children described in subclause  
6 (III) to learn,

7 “(ii) is tied to—

8 “(I) challenging State or local  
9 content standards and student per-  
10 formance standards, or

11 “(II) strategies and programs  
12 that demonstrate effectiveness in in-  
13 creasing student academic achieve-  
14 ment and student performance, or  
15 substantially increasing the knowledge  
16 and teaching skills of an eligible edu-  
17 cator,

18 “(iii) is of sufficient intensity and du-  
19 ration to have a positive and lasting im-  
20 pact on the performance of an eligible edu-  
21 cator in the classroom (which shall not in-  
22 clude 1-day or short-term workshops and  
23 conferences), except that this clause shall  
24 not apply to an activity if such activity is  
25 1 component described in a long-term com-

prehensive professional development plan established by an eligible educator and the educator's supervisor based upon an assessment of the needs of the educator, the students of the educator, and the local educational agency involved, and

“(iv) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

“(C) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this section.

“(2) ELIGIBLE EDUCATOR.—

“(A) IN GENERAL.—The term ‘eligible educator’ means an individual who is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide in an elementary or secondary school for at least 900 hours during a school year.

1                   “(B)   ELEMENTARY    OR    SECONDARY  
2                   SCHOOL.—The terms ‘elementary school’ and  
3                   ‘secondary school’ have the meanings given  
4                   such terms by section 14101 of the Elementary  
5                   and Secondary Education Act of 1965 (20  
6                   U.S.C. 8801), as so in effect.

7                   “(d) DENIAL OF DOUBLE BENEFIT.—

8                   “(1) IN GENERAL.—No other deduction or  
9                   credit shall be allowed under this chapter for any  
10                  amount taken into account for which a deduction is  
11                  allowed under this section.

12                  “(2) COORDINATION WITH EXCLUSIONS.—A de-  
13                  duction shall be allowed under subsection (a) for  
14                  qualified professional development expenses only to  
15                  the extent the amount of such expenses exceeds the  
16                  amount excludable under section 135, 529(c)(1), or  
17                  530(d)(2) for the taxable year.”.

18                  (b) DEDUCTION ALLOWED IN COMPUTING AD-  
19 JUSTED GROSS INCOME.—Section 62(a) of the Internal  
20 Revenue Code of 1986 is amended by inserting after para-  
21 graph (17) the following new paragraph:

22                  “(18) QUALIFIED PROFESSIONAL DEVELOP-  
23                  MENT EXPENSES.—The deduction allowed by section  
24                  222.”.

25                  (c) CONFORMING AMENDMENTS.—

1           (1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and  
 2           219(g)(3) of the Internal Revenue Code of 1986 are  
 3           each amended by inserting “222,” after “221,”.

4           (2) Section 221(b)(2)(C) of such Code is  
 5           amended by inserting “222,” before “911”.

6           (3) Section 469(i)(3)(E) of such Code is  
 7           amended by striking “and 221” and inserting “,  
 8           221, and 222”.

9           (4) The table of sections for part VII of sub-  
 10          chapter B of chapter 1 of such Code is amended by  
 11          striking the item relating to section 222 and insert-  
 12          ing the following new items:

                  “Sec. 222. Qualified professional development expenses.  
                   “Sec. 223. Cross reference.”.

13          (d) EFFECTIVE DATE.—The amendments made by  
 14          this section shall apply to taxable years beginning after  
 15          December 31, 2000.

16      **SEC. 3. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL**  
 17                              **TEACHERS WHO PROVIDE CLASSROOM MATE-**  
 18                              **RIALS.**

19          (a) IN GENERAL.—Subpart B of part IV of sub-  
 20          chapter A of chapter 1 of the Internal Revenue Code of  
 21          1986 (relating to other credits) is amended by adding at  
 22          the end the following new section:

1 **“SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY**  
 2 **SCHOOL TEACHERS WHO PROVIDE CLASS-**  
 3 **ROOM MATERIALS.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-  
 5 gible educator, there shall be allowed as a credit against  
 6 the tax imposed by this chapter for the taxable year an  
 7 amount equal to 50 percent of the qualified elementary  
 8 and secondary education expenses which are paid or in-  
 9 curred by the taxpayer during such taxable year.

10 “(b) MAXIMUM CREDIT.—The credit allowed by sub-  
 11 section (a) for any taxable year shall not exceed \$250.

12 “(c) DEFINITIONS.—

13 “(1) ELIGIBLE EDUCATOR.—The term ‘eligible  
 14 educator’ has the same meaning given such term in  
 15 section 222(c).

16 “(2) QUALIFIED ELEMENTARY AND SECONDARY  
 17 EDUCATION EXPENSES.—The term ‘qualified ele-  
 18 mentary and secondary education expenses’ means  
 19 expenses for books, supplies (other than nonathletic  
 20 supplies for courses of instruction in health or phys-  
 21 ical education), computer equipment (including re-  
 22 lated software and services) and other equipment,  
 23 and supplementary materials used by an eligible ed-  
 24 ucator in the classroom.

25 “(3) ELEMENTARY OR SECONDARY SCHOOL.—  
 26 The term ‘elementary or secondary school’ means



1 any school which provides elementary education or  
 2 secondary education (through grade 12), as deter-  
 3 mined under State law.

4 “(d) SPECIAL RULES.—

5 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-  
 6 tion shall be allowed under this chapter for any ex-  
 7 pense for which credit is allowed under this section.

8 “(2) APPLICATION WITH OTHER CREDITS.—

9 The credit allowable under subsection (a) for any  
 10 taxable year shall not exceed the excess (if any) of—

11 “(A) the regular tax for the taxable year,  
 12 reduced by the sum of the credits allowable  
 13 under subpart A and the preceding sections of  
 14 this subpart, over

15 “(B) the tentative minimum tax for the  
 16 taxable year.

17 “(e) ELECTION TO HAVE CREDIT NOT APPLY.—A  
 18 taxpayer may elect to have this section not apply for any  
 19 taxable year.”.

20 (b) CLERICAL AMENDMENT.—The table of sections  
 21 for subpart B of part IV of subchapter A of chapter 1  
 22 of the Internal Revenue Code of 1986 is amended by add-  
 23 ing at the end the following new item:

“Sec. 30B. Credit to elementary and secondary school teachers  
 who provide classroom materials.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2001.

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